

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

3 UNITED STATES OF AMERICA) Docket No. A 22-CR-187(1) RP
)
4 vs.) Austin, Texas
)
5 STEVE RAY SHICKLES, JR.) June 16, 2023

TRANSCRIPT OF SENTENCING

BEFORE THE HONORABLE ROBERT L. PITMAN

9 APPEARANCES:

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25 Proceedings reported by computerized stenography,
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09:59:00 1 THE CLERK: The Court calls: A-22-CR-187, The
09:59:03 2 United States vs. Steve Ray Shickles, Jr., for sentencing.
09:59:07 3 MR. DEVLIN: Morning, Judge.
09:59:08 4 Matthew Devlin for the United States.
09:59:09 5 THE COURT: Mr. Devlin, good morning.
09:59:11 6 MR. DEVLIN: Morning.
09:59:11 7 MR. ALDREDGE: Horatio Aldredge for Mr. Shickles.
09:59:14 8 THE COURT: Mr. Aldredge, good morning.
09:59:15 9 And you are Steve Ray Shickles, Jr.?
09:59:17 10 THE DEFENDANT: Yes, sir.
09:59:18 11 THE COURT: Good morning, sir.
09:59:20 12 Mr. Shickles, the purpose of this hearing today
09:59:22 13 is for me to impose a sentence in your case. In a few
09:59:24 14 minutes, I'll give you the opportunity to say anything
09:59:26 15 you'd like to say before I sentence you. You don't have
09:59:30 16 to speak. You can let your lawyer speak for you, but I
09:59:32 17 will give you that opportunity.
09:59:34 18 First, let me check with you to make sure that
09:59:36 19 you believe you've had enough time with Mr. Aldredge
09:59:38 20 before today to prepare for this sentencing hearing.
09:59:41 21 THE DEFENDANT: Yes, your Honor.
09:59:42 22 THE COURT: During your conversations with Mr.
09:59:44 23 Aldredge, did he show you a copy of the presentence
09:59:47 24 investigation report that the probation office prepared in
09:59:50 25 your case?

09:59:50 1 THE DEFENDANT: Yes, your Honor.

09:59:51 2 THE COURT: Did he talk to you about the federal

09:59:54 3 sentencing guidelines, what those are and what those --

09:59:56 4 what the guidelines have recommended in your case?

09:59:57 5 THE DEFENDANT: He did, your Honor.

09:59:58 6 THE COURT: All right. Mr. Aldredge, do you

10:00:00 7 believe you've had enough time with your client to prepare

10:00:02 8 for this sentencing hearing today?

10:00:04 9 MR. ALDREDGE: Yes, your Honor.

10:00:05 10 THE COURT: During your meetings with him, did

10:00:06 11 you review with him in detail the presentence

10:00:09 12 investigation report that was filed in his case?

10:00:12 13 MR. ALDREDGE: Yes, your Honor.

10:00:12 14 THE COURT: Did you talk to him about the

10:00:13 15 operation of the federal sentencing guidelines in his

10:00:16 16 case?

10:00:17 17 MR. ALDREDGE: I did, your Honor.

10:00:18 18 THE COURT: I note that you did have one

10:00:20 19 unresolved objection to the presentence investigation

10:00:22 20 report and I'd be glad to hear you on that now.

10:00:24 21 MR. ALDREDGE: Your Honor, actually, I need to

10:00:28 22 place an objection as to the restitution amount.

10:00:30 23 Obviously we've had some litigation about that and I think

10:00:35 24 my position is clear about the relevancy of the documents

10:00:39 25 that I've been seeking which would be able to establish

10:00:43 1 any additional amount, essentially the profit from the
10:00:49 2 sale of those -- that property would be credited against
10:00:55 3 the restitution amount. So obviously I don't know what
10:00:58 4 that amount is, but the basis for establishing that
10:01:06 5 amount, I establish and I understand the Court's position.
10:01:09 6 I don't need to make any further argument about that.

10:01:11 7 So I would -- if the Court will allow me to make
10:01:15 8 that objection formally.

10:01:16 9 THE COURT: Absolutely.

10:01:17 10 MR. ALDREDGE: Okay. And understanding it's
10:01:19 11 overruled.

10:01:20 12 THE COURT: And there's a record, I believe.

10:01:22 13 MR. ALDREDGE: That's right.

10:01:23 14 THE COURT: And as to the sophisticated means,
10:01:28 15 your Honor, you know, the probation department says that
10:01:33 16 this is -- you know, this carried on for so long that it
10:01:35 17 was sophisticated but that just doesn't address the point.
10:01:39 18 The guidelines, of course, define sophisticated means,
10:01:46 19 especially complex or especially intricate.

10:01:51 20 Merriam-Webster defines sophisticated as developed to a
10:01:55 21 high degree of complexity. And neither one of those
10:01:58 22 definitions is met by the conduct that Mr. Shickles
10:02:05 23 engaged in.

10:02:06 24 There are a couple of instances cited by the
10:02:08 25 government and established in the presentence report that

10:02:13 1 are purported to be the sophisticated means, one of which
10:02:17 2 is that he, Mr. Shickles, asked an employee to change a
10:02:21 3 script on an internal daily report, which in itself would
10:02:27 4 have amounted to about 30 seconds to 60 seconds of
10:02:31 5 programming, changing the code, A. B, seems hardly
10:02:37 6 complex or deceptive to ask somebody to do that.

10:02:42 7 If he wanted to be truly deceptive, he would have
10:02:45 8 maybe gone in and would have been cable of doing it on his
10:02:47 9 own. So to ask an employee openly to do this was that --
10:02:53 10 who could have established it at any point, if asked, is
10:02:58 11 not deceptive or duplicitous. He actually asked this
10:03:04 12 person openly to do this. And then, the second instance
10:03:07 13 is where he was able to receive directly to his account a
10:03:12 14 refund for property purchased and he sent a fake e-mail.

10:03:22 15 So again, it's deceptive and as I said in my
10:03:27 16 reply to the government's response to my objection, those
10:03:32 17 are the acts that really turn this into -- from a state
10:03:38 18 embezzlement case into a federal fraud case. There has to
10:03:42 19 be some deception by definition in order to -- for a theft
10:03:47 20 crime to become a fraud crime. But the question is, what
10:03:53 21 -- was that deception to the level that it's especially
10:03:57 22 complex and intricate, and I believe that the answer is no
10:04:02 23 in this case.

10:04:04 24 THE COURT: Thank you.

10:04:05 25 MR. ALDREDGE: That's all I have, your Honor.

10:04:06 1 THE COURT: Mr. Devlin.

10:04:07 2 MR. DEVLIN: Judge, I did file a written response

10:04:08 3 to his objection and I would adhere to that. I really

10:04:12 4 don't have much to add to that. But in summary, I think

10:04:14 5 the fact that there were the two methods cited by Mr.

10:04:20 6 Aldredge in not only committing the crimes that he did but

10:04:23 7 deceiving others and lulling them into not looking into it

10:04:28 8 any further distinguishes this case from the case that he

10:04:31 9 cited, the Valdez case, which involved basically simply

10:04:35 10 one person moving money from one account to another both

10:04:38 11 in his name.

10:04:39 12 There was no need for him in that case to deceive

10:04:42 13 others or to somehow take action to conceal things whereas

10:04:46 14 here, he did that in a couple of instances as described.

10:04:51 15 He had this daily e-mail that went out to the company and

10:04:54 16 to the interested persons where he did not reveal that.

10:04:59 17 They trusted him with that and that was, you know, by

10:05:03 18 itself the action of just simply asking a person to do

10:05:06 19 that, to change that e-mail is not really the focus here.

10:05:09 20 It obviously caused this e-mail to go out to others and to

10:05:13 21 lull them into thinking that everything was okay.

10:05:15 22 And then, again, creating an e-mail account in

10:05:17 23 the name of another trusted individual at the company who

10:05:21 24 -- the other company that gave the refund knew and, again,

10:05:26 25 had dealt with before, that was certainly another act that

10:05:31 1 made this more sophisticated. We're not certainly arguing
10:05:34 2 that this is the most sophisticated fraud ever, but it
10:05:38 3 certainly meets the threshold of the definition under the
10:05:41 4 guidelines for sophisticated means and we would ask that
10:05:42 5 the Court retain that enhancement in the guidelines.

10:05:45 6 THE COURT: Thank you. I agree with the
10:05:48 7 government's position that the defendant's conduct in this
10:05:51 8 case meets both the letter and the spirit of the
10:05:58 9 guideline. The guidelines specifically defines behavior
10:06:02 10 as hiding assets or transactions in the use of fictitious
10:06:06 11 entities, and I think by any standard, the defendant's
10:06:10 12 conduct meets that standard and so, I will overrule that
10:06:13 13 objection.

10:06:14 14 Mr. Aldredge, do you have any other objections?

10:06:16 15 MR. ALDREDGE: No, your Honor. If the Court
10:06:21 16 would be so kind to formally overrule my --

10:06:23 17 THE COURT: Yes. I just did.

10:06:25 18 MR. ALDREDGE: Okay. Thank you. I have nothing
10:06:27 19 further.

10:06:27 20 THE COURT: Okay. Any objection from the
10:06:28 21 government?

10:06:29 22 MR. DEVLIN: No objections, Judge.

10:06:31 23 THE COURT: All right. I will, then, as a
10:06:35 24 consequence of overruling the defendant's objection, I
10:06:38 25 will adopt the findings of the presentence investigation

10:06:40 1 report and make them a part of the record for the purposes
10:06:43 2 of this hearing.

10:06:43 3 Mr. Shickles, now I want to go over with you both
10:06:48 4 the statutory range of punishment that you face today for
10:06:52 5 committing wire fraud in violation of the federal law,
10:06:56 6 then we'll talk about what the sentencing guidelines are
10:06:58 7 recommending in your case. The statute in this case
10:07:01 8 provides for the possibility of a sentence of
10:07:04 9 incarceration of up to 20 years, followed by a term of
10:07:07 10 supervised release of up to three years, or a term of
10:07:10 11 probation of between one and five years.

10:07:13 12 The statute provides for a fine of up to
10:07:17 13 \$250,000, in addition to an amount of restitution that has
10:07:20 14 been determined in this case by the probation office to be
10:07:23 15 \$1,657,639.93. Finally, I will impose a one-time monetary
10:07:32 16 assessment under the Victims of Crimes Act of \$100.

10:07:35 17 Do you understand what the statutory range of
10:07:38 18 punishment is in this case?

10:07:39 19 THE DEFENDANT: Yes, your Honor.

10:07:40 20 THE COURT: Now, the sentencing guidelines were
10:07:42 21 applied in this case. The offense level was found to be a
10:07:45 22 level 24 and your Criminal History a Category I. As a
10:07:49 23 result, the guidelines recommend that I sentence you to a
10:07:51 24 term of incarceration of between 51 and 63 months,
10:07:56 25 followed by a term of supervised release of between one

10:07:58 1 and three years. The guidelines do not recommend
10:08:01 2 probation, but they do recommend a fine of between 20 and
10:08:05 3 \$200,000, in addition to the restitution that I've
10:08:08 4 previously identified, and the \$100 special assessment.

10:08:12 5 Do you understand what the federal sentencing
10:08:14 6 guidelines are recommending in your case?

10:08:16 7 THE DEFENDANT: I do, your Honor.

10:08:16 8 THE COURT: Now, finally, there is a plea
10:08:19 9 agreement in this case that recommends to the Court,
10:08:23 10 however, it's not binding on the Court, that I sentence
10:08:25 11 you to a term of imprisonment at the low end of the
10:08:29 12 guideline range or period equivalent to the period that
10:08:33 13 you have already served, which I'm not aware of what that
10:08:36 14 is.

10:08:37 15 MR. ALDREDGE: Maybe a day or two.

10:08:38 16 THE COURT: Okay. So it would be the low end of
10:08:40 17 the guidelines then, effectively.

10:08:42 18 MR. ALDREDGE: Yes.

10:08:42 19 THE COURT: And the plea agreement is -- only
10:08:46 20 contemplates some period of supervised release and a fine,
10:08:51 21 but does not address the restitution and special
10:08:54 22 assessment.

10:08:54 23 Do you understand what the plea agreement that
10:08:56 24 you have with the government is recommending?

10:08:58 25 THE DEFENDANT: I do, your Honor.

10:08:59 1 THE COURT: And do you understand that that
10:09:00 2 recommendation is not binding on me?
10:09:02 3 THE DEFENDANT: I do, your Honor.
10:09:03 4 THE COURT: Okay. Very good. All right.
10:09:05 5 Mr. Shickles, Mr. Aldredge, would you like to go
10:09:10 6 first or would you like your client to address? Okay.
10:09:13 7 Mr. Shickles, I'd be happy to hear anything you would like
10:09:16 8 to say now before I impose your sentence.
10:09:17 9 THE DEFENDANT: Thank you, your Honor. If you
10:09:18 10 don't mind, I'm going to read from my notes.
10:09:20 11 I'm very sorry I broke the law while working at
10:09:24 12 Simple Helix when I made unauthorized money transfers from
10:09:27 13 my personal accounts. I abused my position of trust and
10:09:29 14 harmed my employer. I am ashamed of myself for making
10:09:33 15 such terrible choices. To the owners and employees at
10:09:36 16 Simple Helix, I apologize. As a proud United States
10:09:39 17 citizen, I understand it's my duty to obey the law to the
10:09:42 18 owners of Simple Helix were counting on me to act
10:09:45 19 honorably and I failed them. I will do whatever it takes
10:09:48 20 to make amends and pay my full restitution.
10:09:51 21 My family, my community relied on me to make good
10:09:54 22 judgment and make wise decisions. Getting sentenced today
10:09:58 23 proves that I let them down. The consequences of my
10:10:00 24 illegal actions will follow me and my family for the rest
10:10:02 25 of our lives. I wish I could undo the past, but I can't

10:10:05 1 and I'm deeply sorry. I will never forget the lessons
10:10:08 2 I've learned during this legal process and am grateful
10:10:11 3 that this country offers a second chance to those who earn
10:10:14 4 it.

10:10:15 5 I'm determined to prove worthy of that second
10:10:17 6 chance. In the years ahead, I want to use my story to
10:10:20 7 help other people make better choices than I did in this
10:10:22 8 case. Your Honor, I am deeply committed to learning from
10:10:26 9 this experience and making amends for the harm I have
10:10:29 10 caused. I am determined to become a better person not
10:10:32 11 only for myself but also my family, friends and community.
10:10:36 12 I understand that I have a long road ahead and I'm
10:10:39 13 prepared to face it with humility, determination, and a
10:10:42 14 renewed sense of purpose.

10:10:44 15 To close, your Honor, I am very sorry that I've
10:10:46 16 betrayed the trust of my colleagues and the owners of
10:10:48 17 Simple Helix. I take full responsibility for my criminal
10:10:51 18 conduct. I assure even this court, I will never return as
10:10:56 19 a defendant again. Thank you, your Honor.

10:10:58 20 THE COURT: Thank you.

10:10:59 21 MR. ALDREDGE: Your Honor, Mr. Shickles' wife
10:11:02 22 Ronda and two friends would like to speak, if they may.

10:11:08 23 THE COURT: Sure.

10:11:09 24 MR. ALDREDGE: Your Honor, this is a case that's
10:11:11 25 very different than the typical kind of Ponzi-scheme fraud

10:11:16 1 case that we see where generally what we see is that
10:11:19 2 somebody just decides who -- somebody who really doesn't
10:11:21 3 have the ability to work and apply themselves decides that
10:11:25 4 they deserve some amount of money and so, they begin to
10:11:29 5 steal it by devising a Ponzi scheme, again, typically and
10:11:37 6 just out and out stealing people's money and he did that,
10:11:41 7 too, but he was actually productive. He's hard working.
10:11:44 8 He has a life -- life's record of working hard, making his
10:11:50 9 way on his own.

10:11:54 10 And this was essentially -- it wasn't a
10:11:57 11 predesigned scheme. It was a crime of opportunity and I
10:11:59 12 know that that ultimately doesn't lessen the amount he
10:12:02 13 stole, which is obviously enormous, and it doesn't lessen
10:12:09 14 the gravity of the crime, but it does mean he is
10:12:16 15 different. He is somebody who is truly, genuinely
10:12:19 16 remorseful. He's somebody that can and will continue to
10:12:24 17 be hard working and productive. He does not feel sorry
10:12:27 18 for himself. He doesn't feel wrong, aggrieved by the
10:12:31 19 prosecution, his prosecution in this case. He's somebody
10:12:36 20 who's actually going to be able to repay a significant
10:12:39 21 amount of his restitution debt. Hopefully all.

10:12:42 22 THE COURT: Can you address that piece right now?
10:12:46 23 I show that the last restitution payment was over a year
10:12:49 24 ago; is that right?

10:12:50 25 MR. ALDREDGE: That is true, your Honor. He has

10:12:53 1 been gainfully employed. He's provided his pay stubs --
10:12:55 2 biweekly pay stubs to the Pretrial Services Office. Right
10:13:01 3 now, he's got -- he's had significant medical bills from
10:13:06 4 his wife. His wife suffered a stroke about a year ago.
10:13:10 5 He's been taking care of the family entirely. He's not
10:13:17 6 banking -- he hasn't had any money to save. He's
10:13:23 7 volunteered -- he spent time volunteering. He's had extra
10:13:28 8 time to do that beyond his full-time employment but that's
10:13:34 9 essentially -- any money he has has been tied up in
10:13:38 10 ongoing obligations at home, familial obligations. The
10:13:47 11 last payment was, I think as you said, a year ago.

10:13:51 12 Your Honor, that's -- in the end, the guideline
10:13:56 13 range is adequate to meet all of the sentencing goals of
10:14:03 14 3553(a). And we would ask the Court to accept the
10:14:10 15 recommendation of the parties for a sentence of no greater
10:14:14 16 than the low end of the guideline range. It is -- it will
10:14:19 17 be a long time that he will be away from his family and it
10:14:22 18 is, again, sufficient to meet the sentencing goals of
10:14:28 19 deterrence and punishment and promoting respect for the
10:14:35 20 law. And for all those reasons, Judge, we'd ask that the
10:14:37 21 Court impose a sentence of no greater than 51 months.

10:14:40 22 THE COURT: Thank you very much. You can have a
10:14:42 23 seat. And I'd be happy to hear from anyone who would like
10:14:44 24 to make a statement on Mr. Shickles' behalf.

10:15:09 25 MS. SHICKLES: Your Honor, thank you for the

10:15:10 1 opportunity to speak today. I apologize. I will have to
10:15:15 2 read my notes.

10:15:16 3 THE COURT: Sure.

10:15:17 4 MS. SHICKLES: As a stroke survivor, I also have
10:15:20 5 aphasia so I just ask for your patience.

10:15:22 6 THE COURT: Take your time. Can you state your
10:15:23 7 name for the record?

10:15:25 8 MS. SHICKLES: Ronda Shickles.

10:15:26 9 THE COURT: Thank you.

10:15:32 10 MS. SHICKLES: I was shocked and overwhelmed when
10:15:34 11 I learned of the charges against Steve. Steve and I have
10:15:40 12 had many long conversations about his bad choices in this
10:15:48 13 case. I love my husband for accepting the consequences of
10:15:54 14 his action with humility. When I met Steve 18 years ago,
10:16:03 15 I immediately noticed his impeccable manners, his hard
10:16:11 16 work ethic, and his gentle soul. Steve is the very best
10:16:19 17 dad to our girls. He is a volunteer at our church and has
10:16:26 18 been a youth sports coach, as well.

10:16:38 19 If a person is in need, Steve will be there to
10:16:42 20 help. After my uncle shattered his ankle, Steve loaned
10:16:48 21 him his car and then, also helped my uncle move into a new
10:16:54 22 home. On June 19th of 2020, I suffered a rare type of
10:17:03 23 stroke when a blood clot caused hemorrhage in my brain.
10:17:12 24 Since then, Steve has done everything possible to help and
10:17:17 25 support me. He takes responsibility for all household and

10:17:27 1 parenting duties. He manages my medications, my many
10:17:32 2 doctors appointments, and my complicated therapy
10:17:40 3 schedules. Thanks to Steve's dedication and love, I have
10:17:42 4 made remarkable progress.

10:17:47 5 Your Honor, this legal process has been a time of
10:17:53 6 reckoning and reflection for Steve. My husband does not
10:18:02 7 sugarcoat the seriousness of his case. He understands the
10:18:11 8 importance of accepting responsibility and making amends.
10:18:23 9 Steve has worked with a counselor to help him come to
10:18:28 10 terms with his actions and face serving time in prison for
10:18:34 11 his choices. I hope this court will consider my husband's
10:18:43 12 long record of hard work and service to others. Steve is
10:18:50 13 a kindhearted man with unlimited potential for a
10:18:58 14 productive, purposeful future. I love my husband very
10:19:10 15 much and hope this court will show mercy today.

10:19:13 16 THE COURT: Thank you, ma'am.

10:19:16 17 MS. SHICKLES: Thank you.

10:19:16 18 THE COURT: Anyone else?

10:19:31 19 MS. ESPARZA: Sorry.

10:19:33 20 THE COURT: Your name, please?

10:19:35 21 MS. ESPARZA: My name is Leslie Esparza and thank
10:19:40 22 you for the opportunity to speak. Sorry, I didn't mean
10:19:43 23 to --

10:19:45 24 THE COURT: Take your time.

10:19:48 25 MS. ESPARZA: I've known the Shickles for four

10:19:51 1 years. We met because our children go to school together
10:19:55 2 and Ronda and I bonded over the fact that we both had a
10:20:00 3 daughter named XXXXX. And when I met them, just from the
10:20:07 4 minute that I met Ronda, I knew that she was my people.
10:20:11 5 We live seven houses apart and our kids, you know, have a
10:20:18 6 lot of school activities together, attend church
10:20:20 7 activities together. So we've spent a lot of time
10:20:22 8 together. I've been in their home. They've been in my
10:20:26 9 home. We've taken each other's kids places. We've done
10:20:30 10 errands together, date nights together. We live a life
10:20:35 11 together and they have become like my extended family.

10:20:37 12 Steve and their XXXXX and XXXXXXXX is like a
10:20:42 13 family to me. They are family to me. And in that time --
10:20:48 14 sorry. I've really -- I guess I'm just nervous because I
10:20:58 15 really want to share. I just shed some light on who Steve
10:21:02 16 is as a husband and as a friend and as a father and --
10:21:11 17 okay. I'll share just -- I know I need to be concise and
10:21:15 18 that's not my strength even in a normal situation.

10:21:18 19 So when we first met, Steve and Ronda started
10:21:22 20 coming to church with us and Steve is such a servant.
10:21:27 21 This was during the time of COVID and there was -- you
10:21:30 22 know, there was unusual meeting situations and we would
10:21:33 23 have to move our entire church out to the parking lot so
10:21:38 24 that people could drive up in their cars and listen or sit
10:21:44 25 in a car in the parking lot and listen to the service that

10:21:48 1 way if they wanted to. And Steve would spend his entire
10:21:52 2 Saturday moving the entire sound system outside to the
10:21:57 3 parking lot. I'd get there on Sundays at 8:00 a.m., which
10:22:00 4 I felt was really early because the service started at
10:22:02 5 10:00. I thought, you know -- and Steve had already been
10:22:05 6 there for an hour and a half setting up sound.

10:22:09 7 A year ago -- a Father's Day a year ago, Ronda
10:22:14 8 had, as you know, she just mentioned, a massive stroke and
10:22:21 9 Steve never left her side. The hospital's seven minutes
10:22:29 10 from our home so I would try to go and say, Steve, take
10:22:32 11 five minutes, like go outside, get some sun, and he did
10:22:35 12 not want to leave her side for a minute because he wanted
10:22:37 13 her to know when she woke up or if she needed him that he
10:22:41 14 was there. And he would sit there on his computer and
10:22:43 15 educate himself everything about her condition, how he
10:22:46 16 could advocate for her.

10:22:53 17 He is a caregiver by nature. He's a servant.
10:22:57 18 He's extremely kind. And his daughter XXXXX and XXXXXXXX
10:23:01 19 need him. He's the type of dad every time I'm in their
10:23:03 20 home, he's not in some man cave watching a movie like
10:23:07 21 trying to get some time to himself. He's in the kitchen.
10:23:08 22 He's in the living room with his girls, he spends time
10:23:11 23 with them. XXXXX is just like Steve and XXXXXXXX is just
10:23:15 24 like Ronda and both of those girls need both of their
10:23:18 25 parents. XXXXX needs Steve to be able to let her know

10:23:26 1 how, you know, important she is and that she's loved
10:23:29 2 because high school's hard. XXXXXXXX needs Steve to
10:23:33 3 protect her and shoo the boys away like he does. He does
10:23:38 4 a great job. He's an incredible dad and he's an
10:23:42 5 incredible husband to Ronda the way he's taking care of
10:23:45 6 her.

10:23:46 7 I know that I'm rambling and I'm sorry and I know
10:23:48 8 that there's a lot here that I don't understand. You read
10:23:52 9 the guidelines and the one thing I do understand is the
10:23:57 10 importance of family and the importance of having a dad at
10:24:02 11 home. And so, that would just be if I can share that
10:24:10 12 thought and ask you to consider Ronda obviously needs him
10:24:15 13 for practical reasons, but XXXXX and XXXXXXXX, they need
10:24:21 14 their dad at home.

10:24:23 15 THE COURT: Ma'am, may I ask you what Mr.
10:24:25 16 Shickles' told you as to why he's here today?

10:24:29 17 MS. ESPARZA: Yes. Actually, they've been very
10:24:33 18 clear and very up front and very -- they're very genuine,
10:24:42 19 honest. Steve has said to Ronda, I will spend the rest of
10:24:46 20 my life making this up to you.

10:24:48 21 THE COURT: Do you know how much money he stole?
10:24:50 22 Did he tell?

10:24:51 23 MS. ESPARZA: I do.

10:24:51 24 THE COURT: How much?

10:24:54 25 MR. ESPARZA: Three million; is that not correct?

10:24:55 1 THE COURT: Have you had an opportunity to read
10:24:57 2 the statement that the victim in this case wrote about the
10:25:00 3 impact on their lives?

10:25:02 4 MS. ESPARZA: You know, it's interesting that you
10:25:03 5 say that because I had to make that decision when I met
10:25:07 6 Steve and when we started building relationships and I do
10:25:13 7 understand what you're saying.

10:25:15 8 THE COURT: No. I'm just asking whether you've
10:25:17 9 read it.

10:25:18 10 MS. ESPARZA: I do. I do understand that -- I
10:25:23 11 understand what you're asking but I did have to make that
10:25:25 12 decision. When I met Steve and Ronda, if I'm going to
10:25:30 13 Google him and read things about him online or if I'm
10:25:33 14 going to make my decision about him based on the man that
10:25:39 15 I spend time with and whose house I'm in and I know -- I
10:25:45 16 knew -- I wanted him to know that I know who he is. And I
10:25:50 17 also know our actions do have consequences and they hurt
10:25:59 18 people. And every conversation I've had with Steve,
10:26:05 19 there's never been a deflection of responsibility. If
10:26:12 20 anything, it's the opposite. He has the weight of the
10:26:15 21 world on his shoulders. He's extremely humble and he's
10:26:24 22 the kind of guy that will beat himself up about it for the
10:26:27 23 rest of his life, no matter what you decide here today.
10:26:31 24 He'll carry the weight of it on his shoulders for the rest
10:26:34 25 of his life. And for me and my role in their life, my

10:26:37 1 role was not to add to that. My role is to love them, no
10:26:43 2 matter what.

10:26:45 3 And I do hope that the family that he's --
10:26:53 4 affected by his actions, I hope that they have people
10:26:55 5 supporting them and helping them, as well. But my role
10:26:57 6 has been to support them and love them. And so yes, to
10:27:04 7 answer your question. Honestly, Ronda is the type of
10:27:11 8 person, she'll just tell ya. She doesn't -- she needs a
10:27:15 9 girlfriend to talk to, too. But they've never tried to
10:27:21 10 pretend like this was anything other than -- they've never
10:27:28 11 tried to deflect responsibility. I'm sorry for my --

10:27:32 12 THE COURT: Not at all. It's very helpful.

10:27:34 13 Thank you.

10:27:36 14 MS. ESPARZA: Thank you.

10:27:36 15 THE COURT: Thank you.

10:27:47 16 Good morning. Your name, please?

10:27:49 17 MS. HYATT: I'm Stephanie Hyatt. Really, Judge,
10:27:53 18 I just want you to have an idea, as Leslie, of who Steve
10:27:58 19 is and who we see him as. I actually met Steve 18 years
10:28:01 20 ago, the same night that Ronda met him. Ronda and I were
10:28:05 21 involved with the children's play at Fantasy Playhouse,
10:28:08 22 Huntsville, Alabama, which I came from yesterday to be
10:28:10 23 here, and Steve and she had met on online and he was
10:28:17 24 coming to meet her for the first time. So I sat with
10:28:20 25 Ronda backstage before I went on stage. She was our

10:28:22 1 producer and we kind of peeked through to see him sitting
10:28:25 2 in the crowd to see who he was. We knew where his seat
10:28:28 3 was. And so, I was there from the very beginning of their
10:28:31 4 courtship and their relationship. I was at their wedding.
10:28:34 5 I was there for the birth of both of their children and
10:28:37 6 I've been there through that 18 years.

10:28:39 7 My children call them Uncle Steve and Aunt Ronda.
10:28:44 8 They were there for the raising of my children. Steve is
10:28:49 9 many things. I am well aware of what he has pled guilty
10:28:53 10 to, what he has done, but I see him as Uncle Steve. He is
10:28:59 11 the man who took the best pictures of my son when he was
10:29:01 12 four years old. He is the man that, you know, hung out in
10:29:04 13 my backyard grilling. He has been an amazing father to
10:29:09 14 his children, an amazing husband to my best friend. He
10:29:13 15 has been an amazing friend to my husband. He's -- when
10:29:18 16 Ronda and I were involved for years and years in
10:29:20 17 Huntsville with children's theater, Ronda taught, dealt
10:29:25 18 with, you know, teaching children's theater classes, and
10:29:28 19 Steve could always be counted on to show up. And they
10:29:32 20 were talking about the sound system, he could get that
10:29:34 21 stuff going. He could fix the sound, he could get the
10:29:36 22 lights going, all of this stuff. He was just a rock. He
10:29:39 23 was a rock for everyone to call on to make things right,
10:29:43 24 to make things work. And the value of that in this
10:29:48 25 situation is, he will continue to be that rock. He is

10:29:50 1 going to continue to make things right. That is simply
10:29:52 2 who he is.

10:29:55 3 Ronda did have a stroke a year ago. You've heard
10:29:57 4 that. You've seen her. She's doing remarkably better.
10:30:00 5 The day it happened, she would have died if Steve had not
10:30:03 6 realized that something was going on. She kept saying, I
10:30:06 7 have a migraine and then, she would start speaking and,
10:30:09 8 you know, just weird gibberish and he immediately took her
10:30:13 9 to the hospital and luckily for them, the hospital near
10:30:15 10 them had this great stroke system and immediately got
10:30:19 11 involved.

10:30:20 12 Since then, I flew out here a couple of weeks
10:30:23 13 after it happened to try to be here as support. But other
10:30:26 14 than to drive her around, he had everything under control.
10:30:30 15 He had meals under control. He had the girls' schedules
10:30:33 16 under control. He had all of her doctors' appointments
10:30:35 17 and therapy schedule under control. There was a lot to
10:30:39 18 recovery from a stroke and he has basically made it his
10:30:42 19 job over this past year to see her recover, and what I see
10:30:45 20 in that and what I want you to see in that is, this
10:30:50 21 experience -- he's worked with a counselor through this
10:30:55 22 experience. This experience of realizing how badly he
10:30:58 23 screwed up, how badly he messed up has turned him even
10:31:01 24 into a stronger man of I am going to do what's right for
10:31:05 25 my family. I am going to do what's right and what I need

10:31:07 1 to do. And I think that's who you have in front of you
10:31:10 2 today is someone who is committed to doing all of those
10:31:13 3 right things. That is what has been expressed to me.

10:31:16 4 THE COURT: Thank you very much.

10:31:18 5 MS. HYATT: Thank you.

10:31:21 6 THE COURT: Anyone else?

10:31:38 7 MR. BARNES: Hello, your Honor. My name is
10:31:39 8 Steven Barnes. So I'm here to represent not current
10:31:44 9 Simple Helix but past Simple Helix. Steve worked at
10:31:48 10 Simple Helix for over half a decade and in that time when
10:31:50 11 I first moved here and when I first moved to Huntsville, I
10:31:54 12 got a job at Simple Helix, immediately, I fell in love
10:31:56 13 with working with Steve. He was a great guy, technology
10:32:00 14 guy, could talk about all sorts of things.

10:32:03 15 My role in that company was, I was a coder. I
10:32:07 16 developed code integrations, APIs for the internal product
10:32:12 17 that we were selling. My job was to be a part of, to
10:32:18 18 understand how the business was going, how things were
10:32:23 19 run. That was my job. In working with Steve, I knew
10:32:29 20 immediately that I liked him. Like everyone else has
10:32:32 21 said, he's a great guy. Understood -- he was a swell guy.
10:32:38 22 Our families hung out together. Our families hung out
10:32:41 23 with their families. We went on, you know, his boat. We
10:32:45 24 went on jet skis. If the -- so we knew each other very
10:32:52 25 well.

10:32:54 1 On the other side, there was work Steve. Work
10:32:57 2 Steve was the guy that I was helping to build the company
10:33:01 3 that we were doing. I was there to make sure that he knew
10:33:06 4 that I was going to help him. Whether it was going to a
10:33:08 5 conference with him and making sure that he had water, or
10:33:11 6 I held his jacket, or I was there to sell the product that
10:33:15 7 we were selling. Steve -- I was making sure that the
10:33:19 8 company that we were running was being successful.

10:33:25 9 On the other side -- so it was always told to us
10:33:29 10 that Simple Helix was owned by Steve Shickles. He owned a
10:33:33 11 hundred percent of the company. The other side was that
10:33:35 12 we had another person, another investor named Jada Leo.
10:33:40 13 Jada was a minor investor. Jada didn't do any day-to-day
10:33:47 14 operations. They ran it as a manager manager, but at the
10:33:50 15 end of the day, this was Steve's company, he owned
10:33:52 16 majority of it, if not the whole thing.

10:33:54 17 So we were told if Jada had come into the office,
10:33:59 18 not to talk to Jada. Again, he's the investor, he doesn't
10:34:01 19 know what he's doing, don't talk to Jada. Don't talk to
10:34:04 20 him at all. That's kind of weird, but guy owns the
10:34:08 21 company and he's my boss, I'm going to do that. So for
10:34:13 22 years and years, we absolutely held that party line. We
10:34:17 23 didn't talk to Jada. We didn't talk to any accountants
10:34:20 24 that came in. That's just what we did. So fast-forward a
10:34:27 25 little bit, Simple Helix wants to grow. Simple Helix

10:34:31 1 wants to make a data center. In order to make a data
10:34:33 2 center, you need to have people who are going to give you
10:34:34 3 money. You need to talk to banks. Banks need P&L
10:34:38 4 statements.

10:34:38 5 So there was a day that Steve came into my office
10:34:41 6 and he said, hey, Steven, can you make me a report that
10:34:44 7 would just say how much money we have coming in, how much
10:34:48 8 money we have going out, and specify how it's actually
10:34:51 9 done, whether it's credit cards, checks, PayPal? Simple
10:34:57 10 fix. I knew how to do that, wrote that report, couple of
10:35:00 11 hours. The next day, I ran it at 8:00 in the morning,
10:35:03 12 done.

10:35:05 13 Few days go by, I see he pops his head into my
10:35:08 14 office and says, hey, Steven, can you do me a favor? Can
10:35:12 15 you take that PayPal part out of the report? You see, we
10:35:18 16 do PayPal differently now and we account for it
10:35:21 17 differently in the company's accounts. Okay. And to his
10:35:27 18 attorney's point, it was a very easy fix to do. It was my
10:35:30 19 job. I wrote the report, easy fix, my boss told me to do
10:35:33 20 that. Because Steve had always been kind of fickle on
10:35:36 21 certain things. All I did was disable that part of the
10:35:39 22 report. It didn't run. It was still in there and I made
10:35:43 23 a comment, we do PayPal differently now, because I figured
10:35:46 24 in a week, he'd probably want it back in. They fix
10:35:48 25 something on PayPal's side, end of story.

10:35:51 1 Flash forward a little bit, Simple Helix has a
10:35:56 2 data center, now we're doing great, but we still have
10:35:58 3 money issues. There's a problem where Steve does -- Steve
10:36:01 4 came in one day and said we couldn't make payroll and was
10:36:04 5 going to have to write a personal check for \$50,000 to
10:36:07 6 cover that payroll. We were having money troubles. Nice
10:36:12 7 data center, customers, where's the money going?

10:36:13 8 So we arranged a meeting with Jada. Again, we're
10:36:19 9 all told that Jada's a minor investor in the company. And
10:36:23 10 so, we have a meeting and Jada stands up in front of the
10:36:27 11 entire company and everyone lobs questions at Jada: Why
10:36:32 12 aren't you investing more money? Why aren't you asking
10:36:33 13 Steve for all these receipts? Why are you doing all these
10:36:36 14 things? It's his company. And Jada stood up and said, I
10:36:40 15 don't know what you're talking about. This is my company,
10:36:43 16 I own it. Steve owns one percent of the company. I am
10:36:48 17 here to say that all these things you're asking me, I've
10:36:53 18 never heard before or I don't know anything about these
10:36:55 19 things that y'all are having issues with.

10:36:59 20 So at the end of the meeting, I went up to Jada
10:37:01 21 and told him that I was not on team Shickles or team Leo,
10:37:06 22 I was on team Simple Helix, the company that's paying my
10:37:09 23 mortgage. I'm here to make sure that I find out what's
10:37:11 24 going on. And at the time, I was the security operations
10:37:15 25 center manager, so I had an elevated role in the company.

10:37:20 1 I was a trusted individual and I told Jada, I'm going to
10:37:23 2 find out what's going on.

10:37:25 3 And that next day, I pulled back data from all of
10:37:28 4 the PayPal transactions over the course of the last 10
10:37:33 5 years or so since beginning of the PayPal account. I
10:37:38 6 pulled them back and I saw obvious business transactions.
10:37:42 7 There was the Amazon here and there. But in that, I also
10:37:46 8 saw transfers to his personal account. I saw the Disney
10:37:51 9 Vacation Club. I saw the multiple Amazon -- the car
10:37:59 10 parts, the obvious transactions that were not
10:38:03 11 business-related. A total of what we've said was about
10:38:07 12 two million or so in funds that were in that account and
10:38:13 13 you could classify a lot of them as non-Simple Helix
10:38:17 14 purchases.

10:38:17 15 That's when we knew we had a problem. I talked
10:38:25 16 to the people that knew Steve the best. I talked to his
10:38:28 17 friends. You see, again, I was friends with Steve. We
10:38:32 18 had -- he had hired friends, too, Craig and Jennifer and
10:38:36 19 all these people who we were friends, and I asked them all
10:38:40 20 quickly, how did Steve make his money? We all had
10:38:43 21 different ideas. Inheritance, good stock purchases, what
10:38:49 22 have you. Well, inheritance and good stock purchases get
10:38:52 23 you pretty far in life maybe, but it doesn't account for
10:38:57 24 the millions of dollars worth of cars I saw go through
10:39:01 25 Simple Helix as a personal purchase on Steve. It didn't

10:39:04 1 account for the hundreds of thousands of dollars of camera
10:39:08 2 gear that just sat on the table for months not being used.

10:39:13 3 Steve Shickles was very flashy with his money.
10:39:16 4 He was very flashy with showing people that he had more
10:39:19 5 money than you. They went to the nicest schools and --
10:39:23 6 his kids went to the nicest schools, they were in all the
10:39:26 7 activities. They had means and it was all ill-gotten at
10:39:31 8 the end of the day.

10:39:32 9 To the point of the people who spoke in front of
10:39:35 10 you already, yeah, Steve and I were friends. I would have
10:39:39 11 taken a bullet for that man. And at the end of the day,
10:39:43 12 I'm glad I didn't completely put all my faith in him
10:39:47 13 because after I figured out the lying person that he was
10:39:52 14 and the fact that he wasn't truthful about his other
10:39:55 15 families that he has. He wasn't truthful about all of the
10:39:59 16 other issues that we found after we started looking.
10:40:03 17 After that, I realized he was a compulsive liar and I'm
10:40:08 18 glad I didn't trust him a hundred percent.

10:40:12 19 So all I have to say. Thank you for your time,
10:40:14 20 sir.

10:40:14 21 THE COURT: Thank you, sir. Anyone else? Yes,
10:40:20 22 sir. Good morning, sir. Your name?

10:40:31 23 MR. LEO: My name is Jada Leo. Thank you, your
10:40:38 24 Honor, for a chance to speak. You're the hand of justice
10:40:42 25 today. I was the primary owner of Simple Helix and I'm

10:40:49 1 glad to be standing here today. 577 days ago, I had a
10:40:54 2 massive heart attack and I never thought I would see the
10:40:57 3 day when we'd finally have justice and I'm glad to see I'm
10:41:02 4 here to see justice done. Steve is a master manipulator,
10:41:10 5 I can tell you. There's no doubt about it.

10:41:15 6 Regarding the funds that he's taken, the actual
10:41:17 7 calculation was about \$19 million. The settlement that he
10:41:21 8 signed was for \$13 million to pay back to the company.
10:41:27 9 And his wife also signed a settlement agreement to pay
10:41:30 10 back \$6 million to the company. Ultimately, the
10:41:35 11 restitution amount is about 1.6 that has been resolved
10:41:38 12 here with the Department of Justice. Do not believe the
10:41:45 13 words he's saying about remorse. He is calculating, he is
10:41:52 14 ultimately the best manipulator I've ever run into.

10:41:55 15 I've spent all my life working hard to make a
10:41:58 16 living I have and then, to provide the funds to support
10:42:01 17 the company which I believed in and I believed in him.
10:42:06 18 And all these people who have come here to speak as his
10:42:08 19 friends, I can assure you there are many friends in
10:42:11 20 Huntsville that they played exactly the same way and, in
10:42:15 21 some cases, borrowed money from them and then walked away
10:42:18 22 with their money.

10:42:21 23 The truth is, the man is a criminal. He will not
10:42:26 24 have remorse. He's, you know, supposedly a great man and
10:42:31 25 a good man, but he's left two children in Alaska. He's

10:42:34 1 abandoned them. He's lived a life of taking advantage of
10:42:39 2 anyone he possibly can. And, you know, I believe in my
10:42:43 3 heart that it's not only himself but, also, Ronda who's
10:42:47 4 well aware of all these matters. I've seen papers signed
10:42:51 5 with her that, you know, she was an employee of Simple
10:42:55 6 Helix where she signed paperwork making \$100,000 a year,
10:42:59 7 simply never happened. Once again, false and manipulation
10:43:03 8 and I believe that, you know, truth needs to be -- or
10:43:09 9 justice needs to be done today. And, you know, I urge you
10:43:12 10 to consider going beyond the sentencing limits, your
10:43:17 11 Honor.

10:43:17 12 This is a man who will continue to conduct crimes
10:43:20 13 and he will do all he can to do that. He will manipulate
10:43:25 14 and he's a very smart guy. I will give him this. He's
10:43:30 15 very smart but highly manipulative. He's a criminal and
10:43:33 16 justice needs to be served. And today, your Honor, I hope
10:43:36 17 justice will be delivered. Thank you.

10:43:38 18 THE COURT: Thank you, sir. Anyone else? All
10:43:44 19 right.

10:43:45 20 Mr. Aldredge. Anything further, Mr. Aldredge?

10:43:52 21 MR. ALDREDGE: No, your Honor.

10:43:53 22 THE COURT: Mr. Devlin?

10:43:54 23 MR. DEVLIN: Well, Judge, I'm not sure I can add
10:43:56 24 much more than Mr. Leo and Mr. Barnes certainly did. I
10:44:01 25 think -- and, of course, you've received Mr. Leo's written

10:44:04 1 victim impact statement, which in and of itself was very
10:44:06 2 compelling and showed the significant damage that this
10:44:10 3 defendant has done. But I think the one thing I'd like to
10:44:13 4 point out is, all this talk about Mr. Shickles is just
10:44:18 5 simply all about him. He is -- there's been nothing about
10:44:23 6 the victims here from him. There's been nothing about
10:44:27 7 making things right with the victims, making the victims
10:44:30 8 whole.

10:44:31 9 He's got these extremely large settlements that
10:44:34 10 he is supposed to be paying, yet, he's living in a house
10:44:38 11 where he's paying \$42,000 a year in rent. He recently got
10:44:42 12 a new car as laid out in the PSR. He has stopped making
10:44:47 13 payments on his settlement. He has no intent from his
10:44:51 14 actions, anyway, of making any provision for the victims
10:44:56 15 in this case. And everything that you've heard from the
10:44:58 16 defense side has just been all about him.

10:45:00 17 Even his written statement to you, Judge, was
10:45:04 18 unapologetic. He regretted getting caught. He regretted
10:45:08 19 the fact that this is going to affect his family, but
10:45:11 20 there was nothing in there about the victims. So I'm very
10:45:14 21 glad to see Mr. Leo and Mr. Barnes, who traveled here from
10:45:17 22 Huntsville. This was that important to them that they be
10:45:20 23 here to see this, that they were able to tell you first
10:45:24 24 person exactly who Mr. Shickles is and what his crimes
10:45:28 25 have done to them and to Simple Helix.

10:45:31 1 You know, again, it's kind of once a fraudster,
10:45:39 2 always a fraudster. He got appointed counsel because -- I
10:45:43 3 think. I don't know because we're not part of that but --
10:45:47 4 and this is nothing, of course, against Mr. Aldredge.
10:45:49 5 It's always a pleasure to deal with Mr. Aldredge. But I
10:45:52 6 think that Mr. Shickles wants to use the bankruptcy when
10:45:57 7 it favors him, but he doesn't want to pay on it when it's
10:46:00 8 going to potentially involve some financial sacrifice on
10:46:03 9 his part.

10:46:04 10 And so, it's just a shame that the taxpayers have
10:46:09 11 footed the bill for this and I don't believe that it was
10:46:11 12 this court's fault. I think that happened back in
10:46:14 13 Alabama. But I mention that again just simply as part of
10:46:17 14 the -- this trend that we're seeing with Mr. Shickles of
10:46:22 15 just simply just taking, taking, taking. He's sorry he
10:46:27 16 got caught, he's sorry this is going to have a bad effect
10:46:30 17 on his family, but he doesn't seem the least bit sorry for
10:46:33 18 Mr. Leo or for the other employees of Simple Helix who
10:46:37 19 this has drastically affected, as well.

10:46:39 20 So we would ask that the Court follow our
10:46:42 21 recommendation of the government in the plea agreement.
10:46:44 22 We would certainly ask the Court and urge you not to go
10:46:47 23 any less than that, by any means. I don't think this
10:46:51 24 defendant is deserving of that. And I believe that the
10:46:55 25 facts and circumstances here warrant the recommendation

10:46:58 1 that's in the plea agreement. And that, also, Judge, I
10:47:01 2 believe that there's also a provision for a fine in the
10:47:02 3 plea agreement, too, which we would ask for, but of
10:47:06 4 course, restitution will take precedence over all that.
10:47:08 5 Thank you.

10:47:08 6 THE COURT: All right.

10:47:17 7 MR. ALDREDGE: Your Honor, if I may.

10:47:18 8 THE COURT: Sure.

10:47:19 9 MR. ALDREDGE: I've got copy of his statement
10:47:21 10 here. He mentioned the victim four or five times. So I'm
10:47:25 11 not sure what Mr. Devlin's referring to in his ringing
10:47:30 12 endorsement of the plea agreement. And I would also say
10:47:33 13 that prior to his wife having a stroke, he did contribute
10:47:39 14 50, \$60,000 towards his restitution debt and they have
10:47:43 15 stopped since the additional familial burdens of a year
10:47:51 16 ago. That's all I have.

10:47:52 17 THE COURT: Thank you very much.

10:47:56 18 Mr. Shickles, let me start off by making an
10:48:01 19 observation that I frequently make in these sorts of cases
10:48:03 20 and that is in many, if not most, cases that I preside
10:48:09 21 over at sentencing, I'm able to look at the background of
10:48:13 22 folks and typically there is a direct line between severe
10:48:21 23 disadvantage, childhood trauma, substance abuse disorders,
10:48:28 24 people who you could tell from the beginning, they were
10:48:32 25 destined for trouble; and then, these cases stand out

10:48:40 1 because they're people who have been given every
10:48:43 2 advantage, every opportunity, every privilege in our
10:48:45 3 society, and rather than being grateful and productive,
10:48:50 4 law-abiding citizens, they turn, because of their greed,
10:48:56 5 and victimize other people.

10:48:58 6 And I often wonder whether it's that simply you
10:49:02 7 have a remarkable ability to sort of live two lives or to
10:49:06 8 deceive yourself, but that's not my business. And much of
10:49:10 9 what people have talked about today that in the letters
10:49:12 10 that I've read on your behalf are people who talk about
10:49:15 11 what a good man you are, and it's not my domain or
10:49:19 12 province to decide whether you're a good man or not.
10:49:22 13 That's for everyone to decide based on the evidence that
10:49:25 14 they choose to look at.

10:49:27 15 My job is to look at what you've done and to
10:49:33 16 deliver consequences not only for you but for other people
10:49:35 17 who are similarly situated so that they know that once
10:49:39 18 they start down the path that you were on for years of
10:49:43 19 daily manipulation and lying for just sheer greed, that
10:49:48 20 there's a cost to it. And I'm a firm believer, though, as
10:49:53 21 opposed to other kinds of criminality where sometimes
10:49:56 22 punishment makes a difference and sometimes punishment
10:49:59 23 doesn't.

10:50:00 24 In this kind of case, punishment does make a
10:50:03 25 difference because people like you who were out there who

10:50:06 1 were in a position to effect these harms on innocent,
10:50:10 2 hard-working people, they sit up and watch when I sentence
10:50:13 3 people and that's what I'm doing today. I'm delivering a
10:50:17 4 harsh consequence to you because you deserve it. You've
10:50:22 5 been given every advantage, every privilege.

10:50:24 6 And I hope that everyone who speaks on your
10:50:28 7 behalf or sees the other side that you want them to see
10:50:31 8 that they take time if they're honest with themselves and
10:50:34 9 with you, that they take time to look at the victim impact
10:50:37 10 statements in these cases because these aren't some
10:50:40 11 anonymous, invisible, imaginary people. These are people
10:50:44 12 who work hard, who have to get out -- come in and out of
10:50:50 13 retirement when they thought they had worked hard all
10:50:52 14 their lives and they finally reach the point where they
10:50:54 15 can enjoy the fruits of their labor, they find that they
10:50:57 16 have little or nothing because you were buying expensive
10:51:00 17 cars and living the life that you wanted -- lying to them
10:51:04 18 all along. That's why you're here today and that's why
10:51:06 19 you're going to get a serious punishment. You deserve it.

10:51:11 20 In this case, the victim even noted this that you
10:51:16 21 make more money than I do today standing here and you've
10:51:20 22 got a court-appointed lawyer. You haven't made a penny
10:51:24 23 payment on your obligation that you've signed -- you've
10:51:28 24 signed an obligation for millions of dollars not just what
10:51:30 25 you're here for. You haven't made a penny payment in the

10:51:33 1 last year. That's what speaks more loudly to me than
10:51:39 2 anything. So I think you know where this is going.
10:51:44 3 I sentence you within the guidelines, although I
10:51:47 4 think I could easily justify a sentence above the
10:51:50 5 guidelines. But having considered all of the elements
10:51:51 6 that I'm required to consider, I sentence you to a term of
10:51:54 7 incarceration in the Bureau of Prisons of 63 months,
10:51:58 8 followed by a term of supervised release of three years, a
10:52:01 9 fine of \$100,000, in addition to restitution in the amount
10:52:04 10 of \$1,657,639.93, a special assessment of \$100 under the
10:52:14 11 Victims of Crimes Act.

10:52:16 12 While you're on supervised release, you're going
10:52:17 13 to have to comply with a number of provisions and
10:52:22 14 conditions. One is that while you're on release, you are
10:52:25 15 not to commit any other federal, state, or local crimes
10:52:27 16 and you comply with the mandatory and standard conditions
10:52:30 17 adopted by this court. That you not use -- excuse me,
10:52:34 18 that you provide the probation officer with access to any
10:52:38 19 financial information and authorize the release of
10:52:41 20 financial information.

10:52:42 21 That you not incur any new credit charges or open
10:52:46 22 additional lines of credit without the approval of your
10:52:49 23 probation officer. I'm going to order that you pay any
10:52:54 24 financial penalty, including fine and restitution, in
10:52:58 25 accordance with the schedule of payments. You're to

10:53:04 1 notify the Court of any changes or circumstances that
10:53:05 2 might affect your ability to pay the penalty. That you
10:53:08 3 not work in any type of employment without the prior
10:53:11 4 approval of your probation officer.

10:53:13 5 That you make restitution to Simple Helix, LLC in
10:53:16 6 the amount previously stated and that if you're not able
10:53:20 7 to pay this indebtedness currently, you cooperate with the
10:53:23 8 U.S. Attorney's Office, Bureau of Prisons, and the
10:53:26 9 Probation Office to make payment as soon as possible,
10:53:29 10 including during any period of incarceration. That any
10:53:32 11 unpaid balance will be paid on a schedule of monthly
10:53:35 12 installments to be established by the probation office.

10:53:38 13 I find that you don't have the ability to pay
10:53:42 14 interest, so I will waive the interest requirement in this
10:53:45 15 case. I to have to impose the \$100 mandatory special
10:53:47 16 assessment. Unless you've waived your right in your plea
10:53:50 17 agreement, you have the right to appeal the sentence I've
10:53:52 18 given you today, and if you want to do that and have the
10:53:54 19 ability to do it, you can talk to Mr. Aldredge about how
10:53:57 20 to do that and the time limits for doing it.

10:54:00 21 Mr. Devlin, what's the government's position with
10:54:03 22 regard to allowing Mr. Shickles to remain out on bond?

10:54:06 23 MR. DEVLIN: Judge, we have not been made aware
10:54:07 24 of anything other than compliance from Pretrial Services
10:54:10 25 at this point.

10:54:11 1 THE COURT: Mr. Shickles, if you will tell me
10:54:12 2 that you'll continue to comply with the conditions that
10:54:15 3 you've been under up to this point and that you appear
10:54:18 4 when and where as designated for the service of your
10:54:21 5 sentence, I'll let you remain on bond. Will you do that?

10:54:23 6 THE DEFENDANT: I will, your Honor.

10:54:24 7 THE COURT: Okay. Very good. Mr. Aldredge,
10:54:26 8 anything else?

10:54:26 9 MR. ALDREDGE: Yes, your Honor. We'd ask the
10:54:27 10 Court for two recommendations with respect to service of
10:54:31 11 the sentence. First, that he be placed at FPC Montgomery
10:54:40 12 and, secondly, that the Court recommend his participation
10:54:43 13 in RDAP program.

10:54:45 14 THE COURT: Is there reflection in the record
10:54:47 15 that would justify that?

10:54:49 16 MR. ALDREDGE: Yes.

10:54:49 17 THE COURT: Okay. Very good. Any objection from
10:54:51 18 the government?

10:54:52 19 MR. DEVLIN: No objection to those
10:54:54 20 recommendations, Judge.

10:54:54 21 THE COURT: I'll make those recommendations in my
10:54:56 22 judgment.

10:54:56 23 MR. ALDREDGE: Thank you, Judge. Nothing
10:54:59 24 further.

10:54:59 25 MR. DEVLIN: Nothing further, Judge.

1 (Proceedings concluded.)

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4 UNITED STATES DISTRICT COURT)

5 WESTERN DISTRICT OF TEXAS)

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7 I, LILY I. REZNIK, Certified Realtime Reporter,
8 Registered Merit Reporter, in my capacity as Official
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13 I certify that the transcript fees and format comply
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18 *Lily Iva Reznik*

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